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**PROGRAMME PLANNING: COUNTRY AND INTERCOUNTRY PROGRAMMES
AND PROJECTS**

THIRD COUNTRY PROGRAMME FOR SAINT VINCENT AND THE GRENADINES

<u>Programme period</u>	<u>Resources</u>	<u>\$</u>
1992-1996	Net IPF	1 921 000
	Estimated cost-sharing	<u>300 000</u>
	Total	<u>2 221 000</u>

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I. DEVELOPMENT SITUATION, OBJECTIVES AND STRATEGIES

A. Current socio-economic situation

1. The economy of Saint Vincent and the Grenadines registered formidable rates of growth between 1985 and 1989 averaging 6.5 per cent annually. The agricultural, manufacturing, construction and tourism sectors all made substantial contributions to this growth. Nevertheless, the small and undiversified nature of the economy renders it particularly susceptible to external factors, including global market trends and natural disasters. During 1990, real growth slowed to 2.4 per cent, largely as a result of a sharp decline in the country's manufacturing output. Inflation rose sharply as a reflection of increases in domestic food imports and higher oil prices. Overall growth is projected to continue around 4 per cent per annum through to 1994 and 2.5 per cent from 1995 to 2000.

2. Despite this performance, Saint Vincent and the Grenadines entered the decade of the 1990s with an economic structure unable to support productive employment for an estimated 30 per cent of its labour force and acute shortages of skilled personnel in the technical and administrative services. The agriculture sector, employing 60 per cent of the labour force, continues to be the mainstay of the economy, with the banana industry dominating this sector. Agriculture contributed 17 per cent to the gross domestic production (GDP) in 1989.

3. The Government is continuing its efforts towards agricultural diversification and has undertaken wide-scale reform of the land tenure system to divest Government-owned lands to small farmers. Tourism growth has been steady in recent years but contributes marginally to the GDP, with a 3 per cent contribution in 1990. Manufacturing contributed 9 per cent of the GDP in 1990. The Government has recently completed an assessment of its industrial policy with a view to overcoming bureaucratic constraints and increasing the number of indigenous entrepreneurs.

B. National development objectives and strategies

4. A national development plan for 1991-1995 has been completed. It specifies commitment to continued economic growth and equitable distribution of the benefits of economic expansion. Enhancing the productive capacity of the agriculture, tourism, and manufacturing sectors will stimulate expansion of the country's narrow economic base and facilitate private sector investment. Education and training for human resource development is another development objective as is the provision of basic needs in health and housing.

5. The 1990s have been designated as the Decade of the Environment in acknowledgement of the islands' delicate ecological base and the need for coastal zone management. Since 1988, considerable efforts have been directed at an administrative reform programme which encompasses comprehensive reviews of the legislation governing the civil service, salaries and conditions of service, job classifications and performance appraisals.

II. EXTERNAL COOPERATION

A. Role of external cooperation

6. The Government relies heavily on external financing for the vast majority of its development initiatives projected to cost \$230 million over the period of the programme, with approximately 80 per cent expected from external financial flows projected mainly for assistance in the transport and communications sectors. Donor support has largely funded the Government's land reform programme, which is assisted by the World Bank, with the British Development Division, the European Community (EC) and the Organization of American States (OAS). The French Government also plans future support to the land reform programme and agricultural diversification efforts, post-secondary education, water resources development and electricity generation. The future activities of the British Development Division will include interventions in community development, the rehabilitation of schools and vocational/technical training centres and road maintenance. EC has been active in tourism development and has provided capital and technical assistance in the health sector. The Canadian International Development Agency (CIDA) plans to continue assistance in forestry and fisheries development and support for the administrative reform programme.

7. In addition, the United Nations Population Fund (UNFPA) has collaborated with the Government in its population, national census and family education programmes. The World Food Programme (WFP) provided assistance for the school feeding programme and human resource development. The United Nations Children's Fund (UNICEF) has concentrated on pre-school education, nutrition, sanitation and immunization programmes. The Pan-American Health Organization (PAHO) and the World Health Organization (WHO) has jointly provided assistance in the strengthening of community health services, human resource development and child abuse programmes, while the United Nations Educational, Scientific and Cultural Organization (UNESCO) has assisted in the preparation of educational materials.

B. Aid coordination arrangements

8. The Central Planning Unit of the Ministry of Finance is responsible for the coordination of the United Nations Development Programme (UNDP) assistance to Saint Vincent and the Grenadines, and works directly with UNDP in the formulation and implementation of technical cooperation projects. The Caribbean Group for Cooperation in Economic Development (CGCED), jointly sponsored by the World Bank, the International Monetary Fund (IMF), the Inter-American Development Bank (IDB), the Caribbean Development Bank (CDB), the OAS and UNDP is a biannual consultative forum of donors active in Saint Vincent and the Grenadines and the rest of the Caribbean countries. In order to complement these activities, UNDP convenes sectoral and thematic consultations on a quarterly basis in an effort to increase collaboration between sectoral and multisectoral programmes. These consultations have so far served to strengthen UNDP's relationship with other donors and have proven

successful in encouraging exchanges on ongoing and planned technical cooperation activities.

9. These aid coordination efforts are strongly supported by the Government which sees the initiatives as facilitating national coordination responsibilities, as are UNDP efforts at enhancing the consultative process with the secretariat of the Organization of Eastern Caribbean States (OECS) through formal participation of member States in the identification and management of UNDP's technical assistance interventions at the subregional level. The frequency of natural disasters in the region requires UNDP to continue its coordinating role in disaster response, prevention and mitigation, thus further cementing the relationships between donors and the United Nations system.

III. THE COUNTRY PROGRAMME

A. Assessment of ongoing country programme

10. UNDP technical assistance to Saint Vincent and the Grenadines under the fourth cycle country programme was directed at:

(a) Strengthening of planning and implementation capacities (55 per cent of the IPF);

(b) Agricultural diversification and development (25 per cent of the IPF); and

(c) Institutional strengthening of public services (20 per cent of the IPF).

11. The projects which emerged were consistent with the country programme objectives and national development goals. Deviations from originally earmarked IPF resources were in the agricultural sector, with a 14 per cent increase, while the planning and implementation capacity interventions benefited from Government cost-sharing, thereby maintaining original resource allocations.

12. The impact of UNDP technical assistance during the fourth cycle was weakened by a project-by-project approach which did not adequately address the fundamental constraints to national capacity-building but provided interim solutions to chronic problems of shortage of skilled technical personnel. Longer-term strategies for increasing the quantity and quality of the island technical resources were therefore not developed. While the assistance filled important gaps in the Government service, its contribution to national capacity-building was limited. The short-term gains were however significant as there was marked success in helping the Government to coordinate and manage the large-scale capital investments of the Public Sector Investment Programme (PSIP). Nearly 25 per cent of all the projects in Saint Vincent and the Grenadines were nationally implemented during the cycle.

B. Proposals for UNDP cooperation

1. Preparatory process

13. The third country programme has been formulated on the basis of a comprehensive review of the second country programme, the UNDP advisory note and the substantive ongoing dialogue with the Government on development objectives, strategic-level goals and national resource allocations as the principal basis for determining the areas of concentration for UNDP technical assistance.

14. While no joint programming missions were carried out, the United Nations agencies represented in the Caribbean have been fully involved in the formulation of the new country programme. All agencies, including the Food and Agriculture Organization of the United Nations (FAO) and the United Nations Centre for Human Settlements (UNCHS), UNESCO, WFP, UNFPA, PAHO and UNICEF submitted written briefs outlining their priorities and proposed activities for the fifth cycle.

2. Strategy for UNDP cooperation

15. The new country programme has taken account of the experiences of the previous country programmes, the development objectives of the Government and the concern of the Governing Council that serious consideration be given to specific thematic areas. Cost-sharing and co-financing modalities will be used to generate additional resources in support of the Government's strategic level goals.

16. In this regard, the ongoing process of programme and project formulation will focus on assistance to the Government in better defining its strategic level development goals and objectives. This support will entail the quantification of available national resources while exploring the possibilities for external donor support for specific programme elements.

3. Areas of concentration selected for UNDP cooperation

17. UNDP support in the fifth cycle will concentrate on the following thematic areas:

(a) Poverty alleviation to assist the Government in its efforts to ensure that all Vincentians benefit fully from economic growth;

(b) Environmental management to ensure sustainable economic growth while protecting and enhancing the natural resource base; and

(c) Management development to further the Government's efforts to strengthen the country's human resource base and increase investment in the island's human capital.

18. Poverty alleviation. The Government's approach to the problems of poverty alleviation is by its very nature intersectoral and will require an integration of additional support by bilateral and multilateral donors, non-governmental organizations (NGOs) and the United Nations system. The strategy therefore envisages interventions in complementary areas such as income generation, access to credit, agricultural diversification, housing and safe drinking water. In this context, it is envisaged that UNDP cooperation will be directed at the provision of sub-sector situation analyses and the articulation of an overall strategy and the bringing together of complementary resources to increase impact and reduce duplication.

19. While poverty is not endemic in the islands, the Government has directed considerable resources towards ensuring that the basic needs in health, housing and education are met. There is, however, a significant lack of information on those sectors of the population who live in poverty. There is no comprehensive definition or measurement of poverty, little institutional understanding of the gender dimensions of poverty, and incomplete identification of the social and economic policies required to overcome poverty. UNDP's substantial experiences with the conditions of poverty will be brought to bear in order to support the Government's efforts in developing a framework to define and measure poverty and a strategy to address this problem which will lead to integration of the results with national macroeconomic policies.

20. The Government's land reform programme has, so far, been the main policy instrument for poverty alleviation. The programme has made available primary agricultural land to hundreds of small farmers. With agricultural diversification being a cornerstone for economic growth, the Government will access UNDP assistance in introducing low-cost hydroponic technology to selected small farmers in the expectation that its application will increase both domestic food production and contribute to increased employment and income of farmers.

21. Access to credit for small entrepreneurs, farmers and manufacturers has been identified as an additional critical constraint to income generation. The UNDP will be asked to facilitate a review of credit availability, identify credit potential, and to design a strategy for revolving credit for the agricultural, manufacturing and small-business sectors. Building on a UNCHS 1989 review of the housing sector, UNDP support will help identify alternative housing sites for squatter populations, technical cooperation in urban redevelopments for low-income groups, and identification of innovative housing schemes supported by both the private and public sectors.

22. Finally, the Government has undertaken a major capital works programme to provide cost-effective delivery of safe water. The Central Water and Sanitation Authority has the necessary complement of water engineers to carry out the routine work of the department but encounters gaps in technical expertise needed for implementation of externally funded capital works programmes. UNDP will be required to fill this gap through the provision of United Nations Volunteers (UNV) water engineers.

23. Environmental management. A comprehensive environmental profile of Saint Vincent and the Grenadines has already been completed as a result of a United States Agency for International Development (USAID)-funded initiative carried out by the Caribbean Conservation Association. The Government plans to build on this work in the effort to design an all-encompassing national environmental, land use and natural resource management strategy.

24. There are currently no spatial plans to guide physical development of the country. Development activities have increased rapidly in recent years, and there is concern that uncontrolled development will result in adverse environmental consequences. In addition, the land reform programme has major implications for land use and carrying capacities. Land divestiture for cultivation has already occurred in the absence of a national spatial plan. UNDP will therefore provide support to the Government in the development of a physical plan for the country, with particular emphasis on the identification of environmentally sensitive areas.

25. Management development. UNDP will assist the Government in a comprehensive review of the public service, in the context of a comprehensive administrative reform programme, to identify the operational bottlenecks in the public service and recommendations for maximizing human resource potential. This review will include an identification of the required training and retraining programmes, re-deployment strategies and an incentive regime for attracting and retaining qualified candidates in the public service. The programme will extend the activities currently being undertaken by the Government's administrative reform secretariat.

C. Cooperation outside selected areas of concentration

26. Ongoing UNDP support to the coordination of large-scale capital investments under the country's PSIP funded by bi- and multilateral agencies will continue during the fifth cycle. In so far as the intercountry programme is concerned, there are several interventions which will supplement the country programme. These include initiatives in environmental management, disaster management, public sector reform and strengthening the political and economic integration process.

27. Complementary assistance. The support provided by external donors for the country's PSIP will be an important basis for the design of UNDP and United Nations system interventions. This approach will help to enhance the Government's aid co-ordination responsibilities and minimize duplication and overlapping.

28. In poverty alleviation, the Government's strategies will be informed by parallel work supported by the United Nations Development Fund for Women (UNIFEM) in the examination and study of the condition of women and the devising of practical measures to ensure that women are active participants in the development process. The World Bank's agricultural diversification

programme will provide additional support for land reform efforts and spatial planning, as will CIDA work in geographic information systems, radar imagery and aerial photography.

D. Implementation and management arrangements

29. National execution of UNDP-supported activities during the fourth cycle has modestly contributed to national capacity-building. Further efforts to strengthen and promote national execution and implementation will be undertaken in the fifth cycle. A careful assessment of national capacities and budgetary resources plus greater attention to project design and programme coherence should enable greater impact of the new country programme. Quantifiable indicators of success in actually building national capacities are to be included in the specific projects to be formulated under the new programme.

30. Technical cooperation among developing countries (TCDC) will be used as one of the main vehicles of project implementation in view of the substantial technical resources available in the Caribbean. The flexibility of donor coordinated funding in the Management Services Agreements (MSAs) will also be utilized by the Government. At the same time, more intensive substantive contact will be promoted with United Nations system agencies in order to elevate the level of their contributions in the programme formulation and implementation processes.

31. The programme is to be reviewed through the mechanism of the quarterly consultations between the Government, the OECS and UNDP. These consultations additionally monitor the continuing adequacy of the complementarity between the country programme, the multi-island programme and the Caribbean regional programme.

32. A formal mid-term review will be held in 1994.

Annex I

FINANCIAL SUMMARY

I. ESTIMATED RESOURCES (IPF + cost-sharing) TAKEN INTO ACCOUNT FOR PROGRAMMING

(Thousands of dollars)

Carry-over from fourth cycle IPF	-	
Fifth cycle IPF	<u>1 921</u>	
Subtotal IPF		<u>1 921</u>
Project cost-sharing (Government)	200	
Project cost-sharing (third-party)	100	
Programme cost-sharing	-	
Subtotal cost-sharing		300
TOTAL		<u>2 221</u>

II. ALLOCATION OF RESOURCES (IPF + cost-sharing) BY AREA OF CONCENTRATION

<u>Area of concentration</u>	<u>Thousands of dollars</u>			Percentage of total resources
	IPF	Cost- sharing	Total	
Poverty alleviation	600	200	800	36
Environment	340	100	440	20
Management development	595	-	595	27
Other	<u>165</u>	-	<u>165</u>	<u>7</u>
Subtotal	1 700	300	2 000	90
Unprogrammed reserve	<u>221</u>	-	<u>221</u>	<u>10</u>
TOTAL	<u>1 921</u>	300	2 221	<u>100</u>

III. COMPLEMENTARY ASSISTANCE FROM OTHER SOURCES USED IN AREAS OF CONCENTRATION

(Thousands of dollars)

A. UNDP-administered funds

SPR	-	
UNCDF	-	
UNSO	-	
UNIFEM	300	
UNRFRNRE	-	
UNFSTD	-	
	<hr/>	
Subtotal		300

B. Other United Nations resources

JCCP participating agencies:

UNFPA	-	
UNICEF	-	
WFP	-	
IFAD	-	
Other United Nations agencies (non-UNDP financed)	-	
Global Environment Facility	-	
	<hr/>	
Subtotal		-

Total non-core and other United Nations resources 300

C. Non-United Nations resources

TOTAL

300

Annex II

PROGRAMME MATRIX

	Area of focus <u>a/</u>				
	Poverty eradication and grass-roots participation in development	Environment and natural resource management	Management development	TCDC	Transfer and adaptation of technology WID
I. IMPROVED PUBLIC SECTOR MANAGEMENT					
Employment and income generation	*	*		*	*
Agricultural diversification	*	*			*
II. ENVIRONMENTAL PROTECTION AND NATURAL RESOURCE MANAGEMENT					
Physical planning	*	*		*	*
Geographical information systems		*			*
Environmental impact assessments		*	*		*
III. MANAGEMENT DEVELOPMENT					
Human resources planning			*		*
Strengthening public sector administration			*	*	

a/ Asterisks indicate major linkage only.
